United Nations A/72/7/Add.3/Rev.1

General Assembly

Distr.: General
11 October 2017

Original: English

Seventy-second session
Agenda item 136
Proposed programme budget for the biennium 2018-2019

Section 13, International Trade Centre

Fourth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2018-2019

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the proposed programme budget of the International Trade Centre (ITC) for the biennium 2018-2019 (A/72/6 (Sect. 13) and A/72/6 (Sect. 13)/Corr.1). The Committee recalls that the submission of the present budget proposal reflects a simplified budget procedure endorsed by the General Assembly in its resolution 70/248 A, under which a single review of the resource requirements is conducted in the year preceding the financial period. During its consideration of the report, the Committee met with the Executive Director of ITC and representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 11 October 2017.

2. Information on the estimated resource requirements of ITC for the biennium 2018-2019 is provided in table 13.3 of the budget document (A/72/6 (Sect. 13)/Corr.1). The budget is to be funded equally by the two parent organizations of ITC, the United Nations, acting through the United Nations Conference on Trade and Development, and the World Trade Organization.

3. The proposed resources for the biennium 2018-2019 for section 13 amount to SwF 71,454,400 before recosting, which represents a reduction of SwF 792,200, or 1.1 per cent, compared with the appropriation for the biennium 2016-2017. After recosting, the proposed net resource requirements amount to SwF 72,972,700. The proposed overall resources amount to SwF 73,372,700, including miscellaneous income from various sources, projected at SwF 400,000. After taking into account miscellaneous income, the net contribution of each parent organization of ITC is therefore estimated at SwF 36,486,350, equivalent to $38,006,600 after recosting (A/72/6 (Sect. 13) and Corr.1, para. 13.32 and table 13.4).

4. The Secretary-General attributes the reduction of SwF 792,200 to efficiencies that the Centre plans to bring about in the biennium 2018-2019. The proposed reduction is the result of the efforts of ITC to apply the anticipated Umoja efficiencies presented in the eighth progress report of the Secretary-General on the enterprise resource planning project (A/71/390) to individual day-to-day operations (A/72/6

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(Sect. 13), para. 13.34). During its consideration of the current proposal, the Advisory Committee requested, but was not provided with, a consolidated list of the resource reductions categorized under "other changes" across all budget sections, along with an explanation of how they would be achieved and the extent to which they could be considered efficiencies. Related observations and recommendations of the Committee on this matter are set out in chapter I of its first report on the proposed programme budget for the biennium 2018-2019 (A/72/7).

5. The regular budget resources for the biennium 2018-2019 would be supplemented by projected extrabudgetary resources amounting to approximately SwF 105.6 million (A/72/6 (Sect. 13), para. 13.33).

Posts

6. According to the supplementary information provided to the Advisory Committee, an amount of SwF 55,592,300 is proposed, before recosting, under post resources for the continuation of 160 posts (91 in the Professional and higher categories and 69 in the General Service and related categories), which is the same as the staffing level approved for the biennium 2016-2017 (A/72/6 (Sect. 13)/Corr.1, table 13.4).

Table 1
Post resources

	Number	*Level*
Regular budget		
Approved for the biennium 2016-2017	160	1 ASG, 1 D-2, 5 D-1, 20 P-5, 30 P-4, 20 P-3, 14 P-2/1, 69 GS (OL)
Proposed for the biennium 2018-2019	160	1 ASG, 1 D-2, 5 D-1, 20 P-5, 30 P-4, 20 P-3, 14 P-2/1, 69 GS (OL)

Abbreviations: ASG, Assistant Secretary-General; GS, General Service; OL, Other level.

7. In addition, a total of 20 posts funded from extrabudgetary sources are proposed, as in 2016-2017.

Comments on non-post resources

8. As indicated in the supplementary information, the overall estimate for non-post resources of the regular budget for 2018-2019 amounts to SwF 15,862,100, representing a net decrease of SwF 792,200, or 4.8 per cent, compared with the appropriation for 2016-2017. This includes decreases under other staff costs (SwF 351,700), contractual services (SwF 55,600), general operating expenses (SwF 398,300) and supplies and materials (SwF 50,000), offset by an increase under grants and contributions (SwF 63,400).

Official travel

9. The supplementary information further indicates that an amount of SwF 678,300 is proposed for travel for the biennium 2018-2019, which is the same as that appropriated for 2016-2017. In its previous report, the Advisory Committee noted the low level of compliance by ITC with the requirement for advance booking and purchase of tickets and expressed the expectation that immediate steps would be taken to ensure compliance with that requirement, leading to more efficient use of fur as allocated for official travel (A/70/7/Add.1, para. 10).

10. The Advisory Committee recalls that the General Assembly has at various times stressed the need to keep travel costs to a minimum, including by using videoconferencing, travelling in economy class for training-related activities,

restricting the number of staff accompanying senior officials on visits and booking air tickets at least 16 days in advance (see, e.g., General Assembly resolution 67/254 A).

11. In the context of its consideration of the ITC budget proposal, the Advisory Committee requested, but was not provided with, a breakdown of the travel requirements for 2018-2019 in order to verify the extent to which the above-mentioned measures were in place. **The Committee trusts that ITC will provide detailed information on the implementation of those measures to the General Assembly during its consideration of the 2018-2019 budget proposal.**

12. For the biennium 2018-2019, the Advisory Committee was informed, upon enquiry, that 38 per cent of tickets were purchased in compliance with the advance purchase requirement during the period from 1 January 2016 to 13 September 2017, representing a marginal improvement over the previous period. **The Committee notes with concern that the level of compliance by ITC with the requirement for advance booking and purchase of air tickets remains low, particularly in view of its predominantly predictable travel requirements, and reiterates its expectation that immediate steps will be taken to improve overall compliance with this requirement, resulting in greater efficiency in the use of funds allotted for this purpose.**

Contractual services

13. The supplementary information indicates that the proposed requirement of SwF 2,223,000 for contractual services in 2018-2019 includes a provision of SwF 755,400 for the production, revision and printing of the quarterly magazine *International Trade Forum*, various other publications and miscellaneous documents. Upon enquiry, the Advisory Committee was informed that ITC plans to produce four issues of its quarterly magazine in three languages (for a total of 24 issues over the biennium). The Committee was further informed, upon enquiry, that the cost per issue would vary from SwF 15,300 for the English version to SwF 16,800 for the French and Spanish versions. **The Committee considers that the production, revision and printing of this publication could be achieved in a more cost-effective manner and encourages ITC to explore alternative options for publication and distribution, including through electronic means.**

General comments

Funding challenges

14. The budget proposal indicates that all ITC technical assistance is delivered in partnership with Governments, national and regional institutions and multilateral organizations from the United Nations development system and beyond, as well as with the private sector. It also indicates that requests for technical assistance continue to outpace available resources, requiring ITC to find innovative ways to deliver such assistance. For that reason, ITC will leverage its regular budget resources further and raise its targets for extrabudgetary resources for the biennium 2018-2019 to even more ambitious levels (A/72/6 (Sect. 13), paras. 13.12, 13.18 and 13.19). **The Advisory Committee encourages ITC to continue to broaden its donor base in order to support and sustain its programmes.**

Conclusion

15. The programme budget proposal for section 13 amounts to $36,685,300 before recosting (A/72/6 (Sect. 13) and Corr.1, tables 13.1 and 13.4).

16. **The Advisory Committee recommends the approval of the proposal of the Secretary-General under section 13, International Trade Centre, of the proposed programme budget for the biennium 2018-2019.**